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AMENDED IN SENATE JULY 6, 2015

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AMENDED IN ASSEMBLY APRIL 15, 2015

AMENDED IN ASSEMBLY MARCH 26, 2015

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

## ASSEMBLY BILL

**No. 675**

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**Introduced by Assembly Member Alejo**

February 25, 2015

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An act to amend Section 1936.05 of, to amend and repeal Section 1936 of, and to repeal Sections 1936.01 and 1936.015 of, the Civil Code, relating to rental vehicles.

### LEGISLATIVE COUNSEL’S DIGEST

AB 675, as amended, Alejo. Rental vehicles: ~~disclosures: obligations:~~  
*advertising and quotes: charges.*

(1) ~~Existing law governs contracts between rental car companies and their customers in connection with the rental of a passenger vehicle and requires a rental company to only advertise a rental rate that includes the entire amount except taxes, and any applicable customer facility charge or mileage charge that a renter must pay to hire or lease the vehicle for the period of time to which the rental rate applies. Existing law prohibits a rental company from charging any fee that is required to be paid by the renter as a condition of hiring or leasing the vehicle, other than the rental rate, taxes, or any applicable customer facility~~

~~charge, airport concession fee, tourism commission assessment, or mileage charge.~~

~~This bill would repeal that advertisement requirement and modify the prohibition against charging any other fees.~~

~~(2)~~

~~(1) Existing law authorizes, when providing a quote, or imposing charges for a rental, a rental company to separately state the rental rate, taxes, and any applicable customer facility charge, airport concession fee, tourism commission assessment, mileage charge that a renter must pay to hire or lease the vehicle for the period of time to which the rental rate applies. governs the contracts between a rental car company and its customer and defines terms for its purposes. Existing law governs how a rental car company is authorized to advertise its rates and provide quotes. Existing law limits how a rental car company is authorized to charge a customer based on those advertisements and quotes and further limits how a rental car company may separately charge specific types of rates.~~

~~This bill would revise and recast that law these provisions to provide that a rental company is authorized to separately state any additional mandatory charges, as defined. This bill would further define the term vehicle license recovery fee to mean the amount of how a rental car company is authorized to provide a quote and charge a customer based on that quote, including, among other provisions, requirements for imposing additional mandatory charges. The bill would further revise and recast these provisions to provide how a rental car company is authorized to advertise its rates, including, among other provisions, a requirement that an advertisement include a specific disclaimer that additional mandatory charges may be imposed. The bill would define new terms for these purposes, including, among others terms, vehicle license fee and fee, vehicle registration fee, as those terms are defined, paid by the rental company for the particular class of vehicle being rented. vehicle license recovery fee, and additional mandatory charges. The bill would make conforming changes to related provisions.~~

~~(3) Existing law requires a rental company, if customer facility charges, airport concession fees, or tourism commission assessments are imposed, to take specified actions, including, when a quote is given, providing the person receiving the quote with a good faith estimate of the rental rate, taxes, customer facility charge, if any, airport concession fee, if any, and tourism commission assessment, if any, as well as the total charges for the entire rental.~~

~~This bill would require a rental company to take those specified actions when any additional mandatory charge is imposed.~~

~~(4) Existing law requires, when a rental rate is stated in an advertisement, in connection with a car rental at an airport where a customer facility charge is imposed, the rental company to clearly disclose the existence and amount of the customer facility charge, as specified. Existing law requires, if any person or entity other than a rental car company, advertises a rental rate for a car rental at an airport where a customer facility charge is imposed, that person or entity to clearly disclose the existence and amount of the charge, as specified.~~

~~This bill would repeal these disclosure requirements.~~

~~(5)~~

(2) Existing law, until January 1, 2020, requires a rental company or its registered agent to accept service of a summons and complaint and any other required documents against a renter who resides out of this country for an accident or collision resulting from the operation of the rental vehicle in this state, if the rental company provides liability insurance coverage as part of, or associated with, the rental agreement. Existing law requires any plaintiff who elects to serve the foreign renter by delivering the summons and complaint and any other required documents to the rental company pursuant to these provisions to agree to limit his or her recovery against the foreign renter and rental company to the limits of the protection of the liability insurance.

This bill would remove the repeal of these requirements on January 1, 2020, thus making these requirements apply indefinitely.

~~(6)~~

(3) This bill would also make other technical, nonsubstantive changes by reorganizing several provisions and repealing obsolete provisions.

Vote: majority. Appropriation: no. Fiscal committee: no.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 1936 of the Civil Code, as amended by  
2 Section 5.2 of Chapter 913 of the Statutes of 2014, is amended to  
3 read:

4 1936. (a) For the purpose of this section, the following  
5 definitions shall apply:

6 (1) "Rental company" means a person or entity in the business  
7 of renting passenger vehicles to the public.

1 (2) “Renter” means any person in a manner obligated under a  
2 contract for the lease or hire of a passenger vehicle from a rental  
3 company for a period of less than 30 days.

4 (3) “Additional mandatory charges” means any separately stated  
5 charges that the rental car company requires the renter to pay to  
6 hire or lease the vehicle for the period of time to which the rental  
7 rate applies, which are imposed by a governmental entity and  
8 specifically relate to the operation of a rental car business,  
9 including, but not limited to, a customer facility charge, airport  
10 concession fee, tourism commission assessment, vehicle license  
11 recovery fee, or other government imposed taxes or fees.

12 (4) “Airport concession fee” means a charge collected by a  
13 rental company from a renter that is the renter’s proportionate  
14 share of the amount paid by the rental company to the owner or  
15 operator of an airport for the right or privilege of conducting a  
16 vehicle rental business on the airport’s premises.

17 (5) “Authorized driver” means all of the following:

18 (A) The renter.

19 (B) The renter’s spouse if that person is a licensed driver and  
20 satisfies the rental company’s minimum age requirement.

21 (C) The renter’s employer or coworker if he or she is engaged  
22 in business activity with the renter, is a licensed driver, and satisfies  
23 the rental company’s minimum age requirement.

24 (D) A person expressly listed by the rental company on that  
25 renter’s contract as an authorized driver.

26 (6) (A) “Customer facility charge” means any fee, including  
27 an alternative fee, required by an airport to be collected by a rental  
28 company from a renter for any of the following purposes:

29 (i) To finance, design, and construct consolidated airport car  
30 rental facilities.

31 (ii) To finance, design, construct, and operate common-use  
32 transportation systems that move passengers between airport  
33 terminals and those consolidated car rental facilities, and acquire  
34 vehicles for use in that system.

35 (iii) To finance, design, and construct terminal modifications  
36 solely to accommodate and provide customer access to  
37 common-use transportation systems.

38 (B) The aggregate amount to be collected shall not exceed the  
39 reasonable costs, as determined by an audit, by an independent  
40 auditor, paid for by the airport, to finance, design, and construct

1 those facilities. The auditor shall independently examine and  
2 substantiate the necessity for and the amount of the customer  
3 facility charge, including whether the airport's actual or projected  
4 costs are supported and justified, any steps the airport may take to  
5 limit costs, potential alternatives for meeting the airport's revenue  
6 needs other than the collection of the fee, and whether and to what  
7 extent car rental companies or other businesses or individuals using  
8 the facility or common-use transportation system may pay for the  
9 costs associated with these facilities and systems other than the  
10 fee from rental customers, or whether the airport did not comply  
11 with any provision of this subparagraph. Copies of the audit shall  
12 be provided to the Assembly and Senate Committees on Judiciary,  
13 the Assembly Committee on Transportation, and the Senate  
14 Committee on Transportation and Housing and shall be posted on  
15 the airport's Internet Web site. In the case of a customer facility  
16 charge for a common-use transportation system, the audit also  
17 shall consider the reasonable costs of providing the transit system  
18 or busing network pursuant to clause (ii) of subparagraph (A). Any  
19 audit required by this subparagraph may be included as a part of  
20 an audit of an airport's finances. Notwithstanding clause (iii) of  
21 subparagraph (A), the fees designated as a customer facility charge  
22 shall not be used to pay for terminal expansion, gate expansion,  
23 runway expansion, changes in hours of operation, or changes in  
24 the number of flights arriving or departing from the airport.

25 (C) Except as provided in subparagraph (D), the authorization  
26 given pursuant to this section for an airport to impose a customer  
27 facility charge shall become inoperative when the bonds used for  
28 financing are paid.

29 (D) If a bond or other form of indebtedness is not used for  
30 financing, or the bond or other form of indebtedness used for  
31 financing has been paid, the Oakland International Airport may  
32 require the collection of a customer facility charge for a period of  
33 up to 10 years from the imposition of the charge for the purposes  
34 allowed by, and subject to the conditions imposed by, this section.

35 (7) "Damage waiver" means a rental company's agreement not  
36 to hold a renter liable for all or any portion of any damage or loss  
37 related to the rented vehicle, any loss of use of the rented vehicle,  
38 or any storage, impound, towing, or administrative charges.

39 (8) "Electronic surveillance technology" means a technological  
40 method or system used to observe, monitor, or collect information,

1 including telematics, Global Positioning System (GPS), wireless  
2 technology, or location-based technologies. “Electronic  
3 surveillance technology” does not include event data recorders  
4 (EDR), sensing and diagnostic modules (SDM), or other systems  
5 that are used either:

6 (A) For the purpose of identifying, diagnosing, or monitoring  
7 functions related to the potential need to repair, service, or perform  
8 maintenance on the rental vehicle.

9 (B) As part of the vehicle’s airbag sensing and diagnostic system  
10 in order to capture safety systems-related data for retrieval after a  
11 crash has occurred or in the event that the collision sensors are  
12 activated to prepare the decisionmaking computer to make the  
13 determination to deploy or not to deploy the airbag.

14 (9) “Estimated time for replacement” means the number of hours  
15 of labor, or fraction thereof, needed to replace damaged vehicle  
16 parts as set forth in collision damage estimating guides generally  
17 used in the vehicle repair business and commonly known as “crash  
18 books.”

19 (10) “Estimated time for repair” means a good faith estimate of  
20 the reasonable number of hours of labor, or fraction thereof, needed  
21 to repair damaged vehicle parts.

22 (11) “Membership program” means a service offered by a rental  
23 company that permits customers to bypass the rental counter and  
24 go directly to the car previously reserved. A membership program  
25 shall meet all of the following requirements:

26 (A) The renter initiates enrollment by completing an application  
27 on which the renter can specify a preference for type of vehicle  
28 and acceptance or declination of optional services.

29 (B) The rental company fully discloses, prior to the enrollee’s  
30 first rental as a participant in the program, all terms and conditions  
31 of the rental agreement as well as all required disclosures.

32 (C) The renter may terminate enrollment at any time.

33 (D) The rental company fully explains to the renter that  
34 designated preferences, as well as acceptance or declination of  
35 optional services, may be changed by the renter at any time for  
36 the next and future rentals.

37 (E) An employee designated to receive the form specified in  
38 subparagraph (C) of paragraph (1) of subdivision (s) is present at  
39 the lot where the renter takes possession of the car, to receive any  
40 change in the rental agreement from the renter.

1 (12) "Passenger vehicle" means a passenger vehicle as defined  
2 in Section 465 of the Vehicle Code.

3 (13) "Quote" means an estimated cost of rental provided by a  
4 rental company or a third party to a potential customer by  
5 telephone, in-person, computer-transmission, or other means, that  
6 is based on information provided by the potential customer and  
7 used to generate an estimated cost of rental, including, but not  
8 limited to, potential dates of rental, locations, or classes of car.

9 (14) "Tourism commission assessment" means the charge  
10 collected by a rental company from a renter that has been  
11 established by the California Travel and Tourism Commission  
12 pursuant to Section 13995.65 of the Government Code.

13 (15) "Vehicle license fee" means the tax imposed pursuant to  
14 the Vehicle License Fee Law (Part 5 (commencing with Section  
15 10701) of Division 2 of the Revenue and Taxation Code).

16 (16) "Vehicle registration fee" means any fee imposed pursuant  
17 to any provision of Chapter 6 (commencing with Section 9101)  
18 of Division 3 of the Vehicle Code.

19 (17) "Vehicle license recovery fee" means a charge that seeks  
20 to recover the amount of any vehicle license fee and vehicle  
21 registration fee paid by a rental company for the particular class  
22 of vehicle being rented.

23 (b) Except as limited by subdivision (c), a rental company and  
24 a renter may agree that the renter will be responsible for no more  
25 than all of the following:

26 (1) Physical or mechanical damage to the rented vehicle up to  
27 its fair market value, as determined in the customary market for  
28 the sale of that vehicle, resulting from collision regardless of the  
29 cause of the damage.

30 (2) Loss due to theft of the rented vehicle up to its fair market  
31 value, as determined in the customary market for the sale of that  
32 vehicle, provided that the rental company establishes by clear and  
33 convincing evidence that the renter or the authorized driver failed  
34 to exercise ordinary care while in possession of the vehicle. In  
35 addition, the renter shall be presumed to have no liability for any  
36 loss due to theft if (A) an authorized driver has possession of the  
37 ignition key furnished by the rental company or an authorized  
38 driver establishes that the ignition key furnished by the rental  
39 company was not in the vehicle at the time of the theft, and (B) an  
40 authorized driver files an official report of the theft with the police

1 or other law enforcement agency within 24 hours of learning of  
2 the theft and reasonably cooperates with the rental company and  
3 the police or other law enforcement agency in providing  
4 information concerning the theft. The presumption set forth in this  
5 paragraph is a presumption affecting the burden of proof which  
6 the rental company may rebut by establishing that an authorized  
7 driver committed, or aided and abetted the commission of, the  
8 theft.

9 (3) Physical damage to the rented vehicle up to its fair market  
10 value, as determined in the customary market for the sale of that  
11 vehicle, resulting from vandalism occurring after, or in connection  
12 with, the theft of the rented vehicle. However, the renter shall have  
13 no liability for any damage due to vandalism if the renter would  
14 have no liability for theft pursuant to paragraph (2).

15 (4) Physical damage to the rented vehicle up to a total of five  
16 hundred dollars (\$500) resulting from vandalism unrelated to the  
17 theft of the rented vehicle.

18 (5) Actual charges for towing, storage, and impound fees paid  
19 by the rental company if the renter is liable for damage or loss.

20 (6) An administrative charge, which shall include the cost of  
21 appraisal and all other costs and expenses incident to the damage,  
22 loss, repair, or replacement of the rented vehicle.

23 (c) The total amount of the renter's liability to the rental  
24 company resulting from damage to the rented vehicle shall not  
25 exceed the sum of the following:

26 (1) The estimated cost of parts which the rental company would  
27 have to pay to replace damaged vehicle parts. All discounts and  
28 price reductions or adjustments that are or will be received by the  
29 rental company shall be subtracted from the estimate to the extent  
30 not already incorporated in the estimate, or otherwise promptly  
31 credited or refunded to the renter.

32 (2) The estimated cost of labor to replace damaged vehicle parts,  
33 which shall not exceed the product of (A) the rate for labor usually  
34 paid by the rental company to replace vehicle parts of the type that  
35 were damaged and (B) the estimated time for replacement. All  
36 discounts and price reductions or adjustments that are or will be  
37 received by the rental company shall be subtracted from the  
38 estimate to the extent not already incorporated in the estimate, or  
39 otherwise promptly credited or refunded to the renter.



1 (3) (A) The estimated cost of labor to repair damaged vehicle  
2 parts, which shall not exceed the lesser of the following:

3 (i) The product of the rate for labor usually paid by the rental  
4 company to repair vehicle parts of the type that were damaged and  
5 the estimated time for repair.

6 (ii) The sum of the estimated labor and parts costs determined  
7 under paragraphs (1) and (2) to replace the same vehicle parts.

8 (B) All discounts and price reductions or adjustments that are  
9 or will be received by the rental company shall be subtracted from  
10 the estimate to the extent not already incorporated in the estimate,  
11 or otherwise promptly credited or refunded to the renter.

12 (4) For the purpose of converting the estimated time for repair  
13 into the same units of time in which the rental rate is expressed, a  
14 day shall be deemed to consist of eight hours.

15 (5) Actual charges for towing, storage, and impound fees paid  
16 by the rental company.

17 (6) The administrative charge described in paragraph (6) of  
18 subdivision (b) shall not exceed (A) fifty dollars (\$50) if the total  
19 estimated cost for parts and labor is more than one hundred dollars  
20 (\$100) up to and including five hundred dollars (\$500), (B) one  
21 hundred dollars (\$100) if the total estimated cost for parts and  
22 labor exceeds five hundred dollars (\$500) up to and including one  
23 thousand five hundred dollars (\$1,500), and (C) one hundred fifty  
24 dollars (\$150) if the total estimated cost for parts and labor exceeds  
25 one thousand five hundred dollars (\$1,500). An administrative  
26 charge shall not be imposed if the total estimated cost of parts and  
27 labor is one hundred dollars (\$100) or less.

28 (d) (1) The total amount of an authorized driver's liability to  
29 the rental company, if any, for damage occurring during the  
30 authorized driver's operation of the rented vehicle shall not exceed  
31 the amount of the renter's liability under subdivision (c).

32 (2) A rental company shall not recover from the renter or other  
33 authorized driver an amount exceeding the renter's liability under  
34 subdivision (c).

35 (3) A claim against a renter resulting from damage or loss,  
36 excluding loss of use, to a rental vehicle shall be reasonably and  
37 rationally related to the actual loss incurred. A rental company  
38 shall mitigate damages where possible and shall not assert or collect  
39 a claim for physical damage which exceeds the actual costs of the  
40 repairs performed or the estimated cost of repairs, if the rental

1 company chooses not to repair the vehicle, including all discounts  
2 and price reductions. However, if the vehicle is a total loss vehicle,  
3 the claim shall not exceed the total loss vehicle value established  
4 in accordance with procedures that are customarily used by  
5 insurance companies when paying claims on total loss vehicles,  
6 less the proceeds from salvaging the vehicle, if those proceeds are  
7 retained by the rental company.

8 (4) If insurance coverage exists under the renter's applicable  
9 personal or business insurance policy and the coverage is confirmed  
10 during regular business hours, the renter may require that the rental  
11 company submit any claims to the renter's applicable personal or  
12 business insurance carrier. The rental company shall not make any  
13 written or oral representations that it will not present claims or  
14 negotiate with the renter's insurance carrier. For purposes of this  
15 paragraph, confirmation of coverage includes telephone  
16 confirmation from insurance company representatives during  
17 regular business hours. Upon request of the renter and after  
18 confirmation of coverage, the amount of claim shall be resolved  
19 between the insurance carrier and the rental company. The renter  
20 shall remain responsible for payment to the rental car company  
21 for any loss sustained that the renter's applicable personal or  
22 business insurance policy does not cover.

23 (5) A rental company shall not recover from the renter or other  
24 authorized driver for an item described in subdivision (b) to the  
25 extent the rental company obtains recovery from another person.

26 (6) This section applies only to the maximum liability of a renter  
27 or other authorized driver to the rental company resulting from  
28 damage to the rented vehicle and not to the liability of another  
29 person.

30 (e) (1) Except as provided in subdivision (f), a damage waiver  
31 shall provide or, if not expressly stated in writing, shall be deemed  
32 to provide that the renter has no liability for damage, loss, loss of  
33 use, or a cost or expense incident thereto.

34 (2) Except as provided in subdivision (f), every limitation,  
35 exception, or exclusion to a damage waiver is void and  
36 unenforceable.

37 (f) A rental company may provide in the rental contract that a  
38 damage waiver does not apply under any of the following  
39 circumstances:

1 (1) Damage or loss results from an authorized driver's (A)  
2 intentional, willful, wanton, or reckless conduct, (B) operation of  
3 the vehicle under the influence of drugs or alcohol in violation of  
4 Section 23152 of the Vehicle Code, (C) towing or pushing  
5 anything, or (D) operation of the vehicle on an unpaved road if  
6 the damage or loss is a direct result of the road or driving  
7 conditions.

8 (2) Damage or loss occurs while the vehicle is (A) used for  
9 commercial hire, (B) used in connection with conduct that could  
10 be properly charged as a felony, (C) involved in a speed test or  
11 contest or in driver training activity, (D) operated by a person other  
12 than an authorized driver, or (E) operated outside the United States.

13 (3) An authorized driver who has (A) provided fraudulent  
14 information to the rental company, or (B) provided false  
15 information and the rental company would not have rented the  
16 vehicle if it had instead received true information.

17 (g) (1) A rental company that offers or provides a damage  
18 waiver for any consideration in addition to the rental rate shall  
19 clearly and conspicuously disclose the following information in  
20 the rental contract or holder in which the contract is placed and,  
21 also, in signs posted at the place, such as the counter, where the  
22 renter signs the rental contract, and, for renters who are enrolled  
23 in the rental company's membership program, in a sign that shall  
24 be posted in a location clearly visible to those renters as they enter  
25 the location where their reserved rental cars are parked or near the  
26 exit of the bus or other conveyance that transports the enrollee to  
27 a reserved car: (A) the nature of the renter's liability, such as  
28 liability for all collision damage regardless of cause, (B) the extent  
29 of the renter's liability, such as liability for damage or loss up to  
30 a specified amount, (C) the renter's personal insurance policy or  
31 the credit card used to pay for the car rental transaction may  
32 provide coverage for all or a portion of the renter's potential  
33 liability, (D) the renter should consult with his or her insurer to  
34 determine the scope of insurance coverage, including the amount  
35 of the deductible, if any, for which the renter is obligated, (E) the  
36 renter may purchase an optional damage waiver to cover all  
37 liability, subject to whatever exceptions the rental company  
38 expressly lists that are permitted under subdivision (f), and (F) the  
39 range of charges for the damage waiver.

(2) In addition to the requirements of paragraph (1), a rental company that offers or provides a damage waiver shall orally disclose to all renters, except those who are participants in the rental company's membership program, that the damage waiver may be duplicative of coverage that the customer maintains under his or her own policy of motor vehicle insurance. The renter's receipt of the oral disclosure shall be demonstrated through the renter's acknowledging receipt of the oral disclosure near that part of the contract where the renter indicates, by the renter's own initials, his or her acceptance or declination of the damage waiver. Adjacent to that same part, the contract also shall state that the damage waiver is optional. Further, the contract for these renters shall include a clear and conspicuous written disclosure that the damage waiver may be duplicative of coverage that the customer maintains under his or her own policy of motor vehicle insurance.

(3) The following is an example, for purposes of illustration and not limitation, of a notice fulfilling the requirements of paragraph (1) for a rental company that imposes liability on the renter for collision damage to the full value of the vehicle:

**“NOTICE ABOUT YOUR FINANCIAL RESPONSIBILITY  
AND OPTIONAL DAMAGE WAIVER**

You are responsible for all collision damage to the rented vehicle even if someone else caused it or the cause is unknown. You are responsible for the cost of repair up to the value of the vehicle, and towing, storage, and impound fees.

Your own insurance, or the issuer of the credit card you use to pay for the car rental transaction, may cover all or part of your financial responsibility for the rented vehicle. You should check with your insurance company, or credit card issuer, to find out about your coverage and the amount of the deductible, if any, for which you may be liable.

Further, if you use a credit card that provides coverage for your potential liability, you should check with the issuer to determine if you must first exhaust the coverage limits of your own insurance before the credit card coverage applies.

The rental company will not hold you responsible if you buy a damage waiver. But a damage waiver will not protect you if (list exceptions).”

1  
2 (A) When the above notice is printed in the rental contract or  
3 holder in which the contract is placed, the following shall be printed  
4 immediately following the notice:

5  
6 “The cost of an optional damage waiver is \$\_\_\_\_\_ for every (day  
7 or week).”

8  
9 (B) When the above notice appears on a sign, the following  
10 shall appear immediately adjacent to the notice:

11  
12 “The cost of an optional damage waiver is \$\_\_\_\_\_ to \$\_\_\_\_\_ for  
13 every (day or week), depending upon the vehicle rented.”

14  
15 (h) Notwithstanding any other provision of law, a rental  
16 company may sell a damage waiver subject to the following rate  
17 limitations for each full or partial 24-hour rental day for the damage  
18 waiver:

19 (1) For rental vehicles that the rental company designates as an  
20 “economy car,” “compact car,” or another term having similar  
21 meaning to the two smallest body-size categories of vehicles  
22 established by the Association of Car Rental Industry Systems  
23 Standards for North America, as of January 1, 2014, when offered  
24 for rental, the rate shall not exceed eleven dollars (\$11).

25 (2) For rental vehicles that the rental company designates as an  
26 “intermediate car,” “standard car,” or “full-size car,” or another  
27 term having similar meaning to the next three body-size categories  
28 of vehicles established by the Association of Car Rental Industry  
29 Systems Standards for North America, as of January 1, 2014, and  
30 that are also either vehicles of the next model-year, or not older  
31 than the previous year’s model, when offered for rental, the rate  
32 shall not exceed seventeen dollars (\$17). For rental vehicles that  
33 are older than the previous year’s model-year, the rate shall not  
34 exceed eleven dollars (\$11).

35 (i) A rental company that disseminates in this state an  
36 advertisement containing a rental rate shall include in that  
37 advertisement a clearly readable statement of the charge for a  
38 damage waiver and a statement that a damage waiver is optional.

1 (j) (1) A rental company shall not require the purchase of a  
2 damage waiver, optional insurance, or another optional good or  
3 service.

4 (2) A rental company shall not engage in any unfair, deceptive,  
5 or coercive conduct to induce a renter to purchase the damage  
6 waiver, optional insurance, or another optional good or service,  
7 including conduct such as, but not limited to, refusing to honor  
8 the renter's reservation, limiting the availability of vehicles,  
9 requiring a deposit, or debiting or blocking the renter's credit card  
10 account for a sum equivalent to a deposit if the renter declines to  
11 purchase the damage waiver, optional insurance, or another  
12 optional good or service.

13 (k) (1) In the absence of express permission granted by the  
14 renter subsequent to damage to, or loss of, the vehicle, a rental  
15 company shall not seek to recover any portion of a claim arising  
16 out of damage to, or loss of, the rented vehicle by processing a  
17 credit card charge or causing a debit or block to be placed on the  
18 renter's credit card account.

19 (2) A rental company shall not engage in any unfair, deceptive,  
20 or coercive tactics in attempting to recover or in recovering on any  
21 claim arising out of damage to, or loss of, the rented vehicle.

22 (l) (1) A customer facility charge may be collected by a rental  
23 company under the following circumstances:

24 (A) Collection of the fee by the rental company is required by  
25 an airport operated by a city, a county, a city and county, a joint  
26 powers authority, a special district, or the San Diego County  
27 Regional Airport Authority formed pursuant to Division 17  
28 (commencing with Section 170000) of the Public Utilities Code.

29 (B) The fee is calculated on a per contract basis or as provided  
30 in paragraph (2).

31 (C) The fee is a user fee, not a tax imposed upon real property  
32 or an incident of property ownership under Article XIII D of the  
33 California Constitution.

34 (D) Except as otherwise provided in subparagraph (E), the fee  
35 shall be ten dollars (\$10) per contract or the amount provided in  
36 paragraph (2).

37 (E) The fee for a consolidated rental car facility shall be  
38 collected only from customers of on-airport rental car companies.  
39 If the fee imposed by the airport is for both a consolidated rental  
40 car facility and a common-use transportation system, the fee

1 collected from customers of on-airport rental car companies shall  
2 be ten dollars (\$10) or the amount provided in paragraph (2), but  
3 the fee imposed on customers of off-airport rental car companies  
4 who are transported on the common-use transportation system is  
5 proportionate to the costs of the common-use transportation system  
6 only. The fee is uniformly applied to each class of on-airport or  
7 off-airport customers, provided that the airport requires off-airport  
8 customers to use the common-use transportation system. For  
9 purposes of this subparagraph, “on-airport rental car company”  
10 means a rental company operating under an airport property lease  
11 or an airport concession or license agreement whose customers  
12 use or will use the consolidated rental car facility and the collection  
13 of the fee as to those customers is consistent with subparagraph  
14 (C).

15 (F) Revenues collected from the fee do not exceed the reasonable  
16 costs of financing, designing, and constructing the facility and  
17 financing, designing, constructing, and operating any common-use  
18 transportation system, or acquiring vehicles for use in that system,  
19 and shall not be used for any other purpose.

20 (G) The fee is separately identified on the rental agreement.

21 (H) This paragraph does not apply to fees which are governed  
22 by Section 50474.1 of the Government Code or Section 57.5 of  
23 the San Diego Unified Port District Act (Chapter 67 of the First  
24 Extraordinary Session of the Statutes of 1962).

25 (I) For any airport seeking to require rental car companies to  
26 collect an alternative customer facility charge pursuant to paragraph  
27 (2), the following provisions apply:

28 (i) Notwithstanding Section 10231.5 of the Government Code,  
29 the airport shall provide reports on an annual basis to the Senate  
30 and Assembly Committees on Judiciary detailing all of the  
31 following:

32 (I) The total amount of the customer facility charge collected.

33 (II) How the funds are being spent.

34 (III) The amount of and reason for any changes in the airport’s  
35 budget or financial needs for the facility or common-use  
36 transportation system.

37 (ii) (I) The airport shall complete the audit required by  
38 subparagraph (B) of paragraph (6) of subdivision (a) prior to the  
39 initial collection of the customer facility charge. Notwithstanding  
40 Section 10231.5 of the Government Code, copies of the audit shall

1 be provided to the Assembly and Senate Committees on Judiciary,  
2 the Assembly Committee on Transportation, and the Senate  
3 Committee on Transportation and Housing and shall be posted on  
4 the airport's Internet Web site.

5 (II) Prior to any increase pursuant to paragraph (2), the airport  
6 shall update the information provided in the initial collection audit  
7 pursuant to subclause (I). Notwithstanding Section 10231.5 of the  
8 Government Code, copies of the updated audit shall be provided  
9 to the Assembly and Senate Committees on Judiciary, the  
10 Assembly Committee on Transportation, and the Senate Committee  
11 on Transportation and Housing, and shall be posted on the airport's  
12 Internet Web site.

13 (III) An audit shall be completed every three years after initial  
14 collection only if the customer facility charge is collected for the  
15 purpose of operating a common-use transportation system or to  
16 acquire vehicles for use in the system pursuant to clause (ii) of  
17 subparagraph (A) of paragraph (6) of subdivision (a). A regularly  
18 conducted audit of airport finances that includes the customer  
19 facility charge information, that satisfies the requirements of  
20 subparagraph (B) of paragraph (6) of subdivision (a), and is  
21 produced in accordance with the generally accepted accounting  
22 principles of the Government Accounting Standards Board, shall  
23 satisfy the requirements of this subclause. This obligation shall  
24 continue until the fee authorization becomes inoperative pursuant  
25 to subparagraph (C) of paragraph (6) of subdivision (a).  
26 Notwithstanding Section 10231.5 of the Government Code, the  
27 information reported pursuant to this subclause shall be compiled  
28 into one document, shall be provided to the Assembly and Senate  
29 Committees on Judiciary, the Assembly Committee on  
30 Transportation, and the Senate Committee on Transportation and  
31 Housing and shall be posted on the airport's Internet Web site  
32 accessible to the public. The information reported shall be  
33 contained within one easily accessible page contained within the  
34 airport's Internet Web site.

35 (IV) This section shall not be construed to require an airport to  
36 audit a common-use transportation system not financed by a  
37 customer facility charge and used for the purposes permitted  
38 pursuant to clause (ii) of subparagraph (A) of paragraph (6) of  
39 subdivision (a).



1 (V) The airport shall post on the airport's Internet Web site  
2 copies of the completed audits required by this clause for a period  
3 of six years following the audit's completion.

4 (iii) Use of the bonds shall be limited to construction and design  
5 of the consolidated rental car facility, terminal modifications, and  
6 operating costs of the common-use transportation system, as  
7 specified in paragraph (6) of subdivision (a).

8 (2) Any airport may require rental car companies to collect an  
9 alternative customer facility charge under the following conditions:

10 (A) The airport first conducts a publicly noticed hearing pursuant  
11 to the Ralph M. Brown Act (Chapter 9 (commencing with Section  
12 54950) of Part 1 of Division 2 of Title 5 of the Government Code)  
13 to review the costs of financing the design and construction of a  
14 consolidated rental car facility and the design, construction, and  
15 operation of any common-use transportation system in which all  
16 of the following occur:

17 (i) The airport establishes the amount of revenue necessary to  
18 finance the reasonable cost to design and construct a consolidated  
19 rental car facility and to design, construct, and operate any  
20 common-use transportation system, or acquire vehicles for use in  
21 that system, based on evidence presented during the hearing.

22 (ii) The airport finds, based on evidence presented during the  
23 hearing, that the fee authorized in paragraph (1) will not generate  
24 sufficient revenue to finance the reasonable costs to design and  
25 construct a consolidated rental car facility and to design, construct,  
26 and operate any common-use transportation system, or acquire  
27 vehicles for use in that system.

28 (iii) The airport finds that the reasonable cost of the project  
29 requires the additional amount of revenue that would be generated  
30 by the proposed daily rate, including any rate increase, authorized  
31 pursuant to this paragraph.

32 (iv) The airport outlines each of the following:

33 (I) Steps it has taken to limit costs.

34 (II) Other potential alternatives for meeting its revenue needs  
35 other than the collection of the fee.

36 (III) The extent to which rental car companies or other  
37 businesses or individuals using the facility or common-use  
38 transportation system will pay for the costs associated with these  
39 facilities and systems other than the fee from rental customers.

1 (B) The airport may not require the fee authorized in this  
2 paragraph to be collected at any time that the fee authorized in  
3 paragraph (1) of this subdivision is being collected.

4 (C) Pursuant to the procedure set forth in this subdivision, the  
5 fee may be collected at a rate charged on a per-day basis subject  
6 to the following conditions:

7 (i) Commencing January 1, 2011, the amount of the fee may  
8 not exceed six dollars (\$6) per day.

9 (ii) Commencing January 1, 2014, the amount of the fee may  
10 not exceed seven dollars and fifty cents (\$7.50) per day.

11 (iii) Commencing January 1, 2017, and thereafter, the amount  
12 of the fee may not exceed nine dollars (\$9) per day.

13 (iv) At no time shall the fee authorized in this paragraph be  
14 collected from any customer for more than five days for each  
15 individual rental car contract.

16 (v) An airport subject to this paragraph shall initiate the process  
17 for obtaining the authority to require or increase the alternative  
18 fee no later than January 1, 2018. Any airport that obtains the  
19 authority to require or increase an alternative fee shall be authorized  
20 to continue collecting that fee until the fee authorization becomes  
21 inoperative pursuant to subparagraph (C) of paragraph (6) of  
22 subdivision (a).

23 (3) Notwithstanding any other provision of law, including, but  
24 not limited to, Part 1 (commencing with Section 6001) to Part 1.7  
25 (commencing with Section 7280), inclusive, of Division 2 of the  
26 Revenue and Taxation Code, the fees collected pursuant to this  
27 section, or another law whereby a local agency operating an airport  
28 requires a rental car company to collect a facility financing fee  
29 from its customers, are not subject to sales, use, or transaction  
30 taxes.

31 (m) (1) When providing a quote, or imposing charges for a  
32 rental, the rental company may separately state the rental rate,  
33 additional mandatory charges, if any, and a mileage charge, if any,  
34 that a renter must pay to hire or lease the vehicle for the period of  
35 time to which the rental rate applies. A rental company shall not  
36 charge in addition to the rental rate, ~~taxes, additional mandatory~~  
37 ~~charges, if any, charges, or a mileage charge, if any, and charge,~~  
38 *as those may be applicable*, any other fee that is required to be  
39 paid by the renter as a condition of hiring or leasing the vehicle.

1 (2) If additional mandatory charges are imposed, the rental  
2 company shall do each of the following:

3 (A) At the time the quote is given, provide the person receiving  
4 the quote with a good faith estimate of the rental rate and all  
5 additional mandatory charges, as well as the total charges for the  
6 entire rental. The total charges, if provided on an Internet Web site  
7 page, shall be displayed in a typeface at least as large as any rental  
8 rate disclosed on that page and shall be provided on a page that  
9 the person receiving the quote may reach by following links  
10 through no more than two Internet Web site pages, including the  
11 page on which the rental rate is first provided. The good faith  
12 estimate may exclude mileage charges and charges for optional  
13 items that cannot be determined prior to completing the reservation  
14 based upon the information provided by the person.

15 (B) At the time and place the rental commences, clearly and  
16 conspicuously disclose in the rental contract, or that portion of the  
17 contract that is provided to the renter, the total of the rental rate,  
18 additional mandatory charges, for the entire rental, exclusive of  
19 charges that cannot be determined at the time the rental  
20 commences. Charges imposed pursuant to this subparagraph shall  
21 be no more than the amount of the quote provided in a confirmed  
22 reservation, unless the person changes the terms of the rental  
23 contract subsequent to making the reservation.

24 (C) Provide each person, other than those persons within the  
25 rental company, offering quotes to actual or prospective customers  
26 access to information about additional mandatory charges, as well  
27 as access to information about when those charges apply. Any  
28 person providing quotes to actual or prospective customers for the  
29 hire or lease of a vehicle from a rental company shall provide the  
30 quotes in the manner described in subparagraph (A).

31 (3) In addition to the rental rate, taxes, additional mandatory  
32 charges, if any, and mileage charges, if any, a rental company may  
33 charge for an item or service provided in connection with a  
34 particular rental transaction if the renter could have avoided  
35 incurring the charge by choosing not to obtain or utilize the  
36 optional item or service. Items and services for which the rental  
37 company may impose an additional charge include, but are not  
38 limited to, optional insurance and accessories requested by the  
39 renter, service charges incident to the renter's optional return of  
40 the vehicle to a location other than the location where the vehicle

1 was hired or leased, and charges for refueling the vehicle at the  
2 conclusion of the rental transaction in the event the renter did not  
3 return the vehicle with as much fuel as was in the fuel tank at the  
4 beginning of the rental. A rental company also may impose an  
5 additional charge based on reasonable age criteria established by  
6 the rental company.

7 (4) A rental company shall not charge a fee for authorized  
8 drivers in addition to the rental charge for an individual renter.

9 (5) If a rental company states a rental rate in print advertisement  
10 or in a telephonic, in-person, or computer-transmitted quotation,  
11 the rental company shall disclose clearly in that advertisement or  
12 quotation the terms of mileage conditions relating to the advertised  
13 or quoted rental rate, including, but not limited to, to the extent  
14 applicable, the amount of mileage and gas charges, the number of  
15 miles for which no charges will be imposed, and a description of  
16 geographic driving limitations within the United States and Canada.

17 (6) All rate advertisements shall include the following  
18 disclaimer, which shall be prominently displayed: "Additional  
19 mandatory charges may be imposed, including, but not limited to,  
20 a customer facility charge, airport concession fee, tourism  
21 commission assessment, vehicle license recovery fee, or other  
22 government imposed taxes or fees. For more information, including  
23 an estimate of your total rental cost, visit our Internet Web site at  
24 [www.\_\_\_\_.com]."

25 (7) If a rental company delivers a vehicle to a renter at a location  
26 other than the location where the rental company normally carries  
27 on its business, the rental company shall not charge the renter an  
28 amount for the rental for the period before the delivery of the  
29 vehicle. If a rental company picks up a rented vehicle from a renter  
30 at a location other than the location where the rental company  
31 normally carries on its business, the rental company shall not  
32 charge the renter an amount for the rental for the period after the  
33 renter notifies the rental company to pick up the vehicle.

34 (8) Except as otherwise permitted pursuant to the customer  
35 facility charge, a rental company shall not separately charge, in  
36 addition to the rental rate, a fee for transporting the renter to a  
37 location where the rented vehicle will be delivered to the renter.

38 (n) A rental company shall not use, access, or obtain any  
39 information relating to the renter's use of the rental vehicle that

1 was obtained using electronic surveillance technology, except in  
2 the following circumstances:

3 (1) (A) When the equipment is used by the rental company  
4 only for the purpose of locating a stolen, abandoned, or missing  
5 rental vehicle after one of the following:

6 (i) The renter or law enforcement has informed the rental  
7 company that the vehicle is missing or has been stolen or  
8 abandoned.

9 (ii) The rental vehicle has not been returned following one week  
10 after the contracted return date, or by one week following the end  
11 of an extension of that return date.

12 (iii) The rental company discovers the rental vehicle has been  
13 stolen or abandoned, and, if stolen, it shall report the vehicle stolen  
14 to law enforcement by filing a stolen vehicle report, unless law  
15 enforcement has already informed the rental company that the  
16 vehicle is missing or has been stolen or abandoned.

17 (B) If electronic surveillance technology is activated pursuant  
18 to subparagraph (A), a rental company shall maintain a record, in  
19 either electronic or written form, of information relevant to the  
20 activation of that technology. That information shall include the  
21 rental agreement, including the return date, and the date and time  
22 the electronic surveillance technology was activated. The record  
23 shall also include, if relevant, a record of written or other  
24 communication with the renter, including communications  
25 regarding extensions of the rental, police reports, or other written  
26 communication with law enforcement officials. The record shall  
27 be maintained for a period of at least 12 months from the time the  
28 record is created and shall be made available upon the renter's  
29 request. The rental company shall maintain and furnish explanatory  
30 codes necessary to read the record. A rental company shall not be  
31 required to maintain a record if electronic surveillance technology  
32 is activated to recover a rental vehicle that is stolen or missing at  
33 a time other than during a rental period.

34 (2) In response to a specific request from law enforcement  
35 pursuant to a subpoena or search warrant.

36 (3) This subdivision does not prohibit a rental company from  
37 equipping rental vehicles with GPS-based technology that provides  
38 navigation assistance to the occupants of the rental vehicle, if the  
39 rental company does not use, access, or obtain information relating  
40 to the renter's use of the rental vehicle that was obtained using

1 that technology, except for the purposes of discovering or repairing  
2 a defect in the technology and the information may then be used  
3 only for that purpose.

4 (4) This subdivision does not prohibit a rental company from  
5 equipping rental vehicles with electronic surveillance technology  
6 that allows for the remote locking or unlocking of the vehicle at  
7 the request of the renter, if the rental company does not use, access,  
8 or obtain information relating to the renter's use of the rental  
9 vehicle that was obtained using that technology, except as  
10 necessary to lock or unlock the vehicle.

11 (5) This subdivision does not prohibit a rental company from  
12 equipping rental vehicles with electronic surveillance technology  
13 that allows the company to provide roadside assistance, such as  
14 towing, flat tire, or fuel services, at the request of the renter, if the  
15 rental company does not use, access, or obtain information relating  
16 to the renter's use of the rental vehicle that was obtained using  
17 that technology except as necessary to provide the requested  
18 roadside assistance.

19 (6) This subdivision does not prohibit a rental company from  
20 obtaining, accessing, or using information from electronic  
21 surveillance technology for the sole purpose of determining the  
22 date and time the vehicle is returned to the rental company, and  
23 the total mileage driven and the vehicle fuel level of the returned  
24 vehicle. This paragraph, however, shall apply only after the renter  
25 has returned the vehicle to the rental company, and the information  
26 shall only be used for the purpose described in this paragraph.

27 (o) A rental company shall not use electronic surveillance  
28 technology to track a renter in order to impose fines or surcharges  
29 relating to the renter's use of the rental vehicle.

30 (p) A renter may bring an action against a rental company for  
31 the recovery of damages and appropriate equitable relief for a  
32 violation of this section. The prevailing party shall be entitled to  
33 recover reasonable attorney's fees and costs.

34 (q) A rental company that brings an action against a renter for  
35 loss due to theft of the vehicle shall bring the action in the county  
36 in which the renter resides or, if the renter is not a resident of this  
37 state, in the jurisdiction in which the renter resides.

38 (r) A waiver of any of the provisions of this section shall be  
39 void and unenforceable as contrary to public policy.

1 (s) (1) A rental company's disclosure requirements shall be  
2 satisfied for renters who are enrolled in the rental company's  
3 membership program if all of the following conditions are met:

4 (A) Prior to the enrollee's first rental as a participant in the  
5 program, the renter receives, in writing, the following:

6 (i) All of the disclosures required by paragraph (1) of subdivision  
7 (g), including the terms and conditions of the rental agreement  
8 then in effect.

9 (ii) An Internet Web site address, as well as a contact number  
10 or address, where the enrollee can learn of changes to the rental  
11 agreement or to the laws of this state governing rental agreements  
12 since the effective date of the rental company's most recent  
13 restatement of the rental agreement and distribution of that  
14 restatement to its members.

15 (B) At the commencement of each rental period, the renter is  
16 provided, on the rental record or the folder in which it is inserted,  
17 with a printed notice stating that he or she had either previously  
18 selected or declined an optional damage waiver and that the renter  
19 has the right to change preferences.

20 (C) At the commencement of each rental period, the rental  
21 company provides, on the rearview mirror, a hanger on which a  
22 statement is printed, in a box, in at least 12-point boldface type,  
23 notifying the renter that the collision damage waiver offered by  
24 the rental company may be duplicative of coverage that the  
25 customer maintains under his or her own policy of motor vehicle  
26 insurance. If it is not feasible to hang the statement from the  
27 rearview mirror, it shall be hung from the steering wheel.

28 The hanger shall provide the renter a box to initial if he or she  
29 (not his or her employer) has previously accepted or declined the  
30 collision damage waiver and that he or she now wishes to change  
31 his or her decision to accept or decline the collision damage waiver,  
32 as follows:

33  
34 "If I previously accepted the collision damage waiver, I now  
35 decline it.

36  
37  
38 If I previously declined the collision damage waiver, I now  
39 accept it."  
40

1 The hanger shall also provide a box for the enrollee to indicate  
2 whether this change applies to this rental transaction only or to all  
3 future rental transactions. The hanger shall also notify the renter  
4 that he or she may make that change, prior to leaving the lot, by  
5 returning the form to an employee designated to receive the form  
6 who is present at the lot where the renter takes possession of the  
7 car, to receive any change in the rental agreement from the renter.

8 (2) (A) This subdivision is not effective unless the employee  
9 designated pursuant to subparagraph (E) of paragraph (9) of  
10 subdivision (a) is actually present at the required location.

11 (B) This subdivision does not relieve the rental company from  
12 the disclosures required to be made within the text of a contract  
13 or holder in which the contract is placed; in or on an advertisement  
14 containing a rental rate; or in a telephonic, in-person, or  
15 computer-transmitted quotation or reservation.

16 (t) The amendments made to this section during the 2001–02  
17 Regular Session of the Legislature do not affect litigation pending  
18 on or before January 1, 2003, alleging a violation of Section 22325  
19 of the Business and Professions Code as it read at the time the  
20 action was commenced.

21 (u) (1) When a rental company enters into a rental agreement  
22 in the state for the rental of a vehicle to any renter who is not a  
23 resident of this country and, as part of, or associated with, the rental  
24 agreement, the renter purchases liability insurance, as defined in  
25 subdivision (b) of Section 1758.85 of the Insurance Code, from  
26 the rental company in its capacity as a rental car agent for an  
27 authorized insurer, the rental company shall be authorized to accept,  
28 and, if served as set forth in this subdivision, shall accept, service  
29 of a summons and complaint and any other required documents  
30 against the foreign renter for any accident or collision resulting  
31 from the operation of the rental vehicle within the state during the  
32 rental period. If the rental company has a registered agent for  
33 service of process on file with the Secretary of State, process shall  
34 be served on the rental company's registered agent, either by  
35 first-class mail, return receipt requested, or by personal service.

36 (2) Within 30 days of acceptance of service of process, the rental  
37 company shall provide a copy of the summons and complaint and  
38 any other required documents served in accordance with this  
39 subdivision to the foreign renter by first-class mail, return receipt  
40 requested.



1 (3) Any plaintiff, or his or her representative, who elects to serve  
2 the foreign renter by delivering a copy of the summons and  
3 complaint and any other required documents to the rental company  
4 pursuant to paragraph (1) shall agree to limit his or her recovery  
5 against the foreign renter and the rental company to the limits of  
6 the protection extended by the liability insurance.

7 (4) Notwithstanding the requirements of Sections 17450 to  
8 17456, inclusive, of the Vehicle Code, service of process in  
9 compliance with paragraph (1) shall be deemed valid and effective  
10 service.

11 (5) Notwithstanding any other provision of law, the requirement  
12 that the rental company accept service of process pursuant to  
13 paragraph (1) shall not create any duty, obligation, or agency  
14 relationship other than that provided in paragraph (1).

15 SEC. 2. Section 1936 of the Civil Code, as amended by Section  
16 5.7 of Chapter 913 of the Statutes of 2014, is repealed.

17 SEC. 3. Section 1936.01 of the Civil Code is repealed.

18 SEC. 4. Section 1936.015 of the Civil Code is repealed.

19 SEC. 5. Section 1936.05 of the Civil Code is amended to read:

20 1936.05. (a) For purposes of this section:

21 (1) "Additional charges" means charges other than a per period  
22 base rental rate established by the business program.

23 (2) "Business program" means (A) a contract between a rental  
24 company and a business program sponsor that has established the  
25 per period base rental rate, and any other material terms relating  
26 to additional charges, on which the rental company will rent  
27 passenger vehicles to persons authorized by the sponsor, or (B) a  
28 plan, program, or other arrangement established by a rental  
29 company at the request of, or with the consent of, a business  
30 program sponsor under which the rental company offers to rent  
31 passenger vehicles to persons authorized by the sponsor at per  
32 period base rental rates, and any other material terms relating to  
33 additional charges, that are not the same as those generally offered  
34 by the rental company to the public.

35 (3) "Business program sponsor" means a legal entity, other than  
36 a natural person, that is a corporation, limited liability company,  
37 or partnership.

38 (4) "Business renter" means, for any business program sponsor,  
39 a person who is authorized by the sponsor, through the use of an  
40 identifying number or program name or code, to enter into a rental

1 contract under the sponsor's business program. In no case shall  
2 the term "business renter" include a person renting as: (A) a  
3 nonemployee member of a not-for-profit organization, (B) the  
4 purchaser of a voucher or other prepaid rental arrangement from  
5 a person, including a tour operator, engaged in the business of  
6 reselling those vouchers or prepaid rental arrangements to the  
7 general public, (C) an individual whose car rental is eligible for  
8 reimbursement in whole or in part as a result of the person being  
9 insured or provided coverage under a policy of insurance issued  
10 by an insurance company, or (D) an individual whose car rental  
11 is eligible for reimbursement in whole or in part as a result of the  
12 person purchasing passenger vehicle repair services from a person  
13 licensed to perform such services.

14 (5) "Qualified business rental" under a business program  
15 established for a business program sponsor by a rental company  
16 means the rental of a passenger vehicle under the business program  
17 if either (A) in the 12-month period ending on the date of the rental  
18 or in the calendar year immediately preceding the year in which  
19 the rental occurs, the rentals under all business programs  
20 established by the rental company for the business program sponsor  
21 and its affiliates produced gross rental revenues in excess of  
22 twenty-five thousand dollars (\$25,000) or (B) the rental company  
23 in good faith estimates that rentals under all the business programs  
24 established by the rental company for the business program sponsor  
25 and its affiliates will produce gross rental revenues in excess of  
26 twenty-five thousand dollars (\$25,000) in the 12-month period  
27 commencing with the date of the rental or in the calendar year in  
28 which the rental occurs. The rental company has the burden of  
29 establishing by objectively verifiable evidence that the rental was  
30 a qualified business rental.

31 (6) "Quote" means telephonic, in-person, and  
32 computer-transmitted quotations.

33 (b) Notwithstanding any provision to the contrary contained in  
34 subdivision (m) of Section 1936, a rental car company may, in  
35 connection with the qualified business rental of a passenger vehicle  
36 to a business renter of a business program sponsor under the  
37 sponsor's business program, do both of the following:

38 (1) Separately quote additional charges for the rental if, at the  
39 time the quote is provided, the person receiving the quote is also  
40 provided a good faith estimate of the total of all the charges for

1 the entire rental. The estimate may exclude mileage charges and  
2 charges for optional items and services that cannot be determined  
3 prior to completing the reservation based upon the information  
4 provided by the renter.

5 (2) Separately impose additional charges for the rental, if the  
6 rental contract, or another document provided to the business renter  
7 at the time and place the rental commences, clearly and  
8 conspicuously discloses the total of all the charges for the entire  
9 rental, exclusive of charges that cannot be determined at the time  
10 the rental commences.

11 (c) A renter may bring an action against a rental company for  
12 the recovery of damages and appropriate equitable relief for a  
13 violation of this section. The prevailing party shall be entitled to  
14 recover reasonable attorney's fees and costs.

15 (d) Any waiver of any of the provisions of this section shall be  
16 void and unenforceable as contrary to public policy.

17 (e) Nothing in this section shall be interpreted to mean that a  
18 rental company is not required to comply with the requirements  
19 of paragraphs (3) to (7), inclusive, of subdivision (m) of Section  
20 1936.